

# IOWA ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

## *Overview*

Other than lower fuel taxes for ethanol and compressed natural gas (CNG), Iowa does not offer any incentives for private sector alternative fuel vehicles (AFVs). The Iowa Department of Natural Resources provides low interest loan financing for AFV conversions and purchases for state and local governments and school districts, community colleges, and non-profit organizations.

## *State Incentives*

The Iowa Department of Natural Resources operates the Iowa Energy Bank. The Energy Bank provides low interest loan financing for AFV conversions and purchases by state and local government agencies, school districts, community colleges, and non-profit organizations. Financing is made available through local and regional banks. The Department of Natural Resources also does marketing to encourage the use of alternative fuels, and is funding public refueling sites for 85% ethanol blends (E85). Contact Ward Lenz at (515) 281-7018 for more information.

## *Utility/Private Incentives*

**Midwest Gas** will provide incentives to customers on a case-by-case basis for natural gas vehicles (NGVs) and refueling stations. Midwest Gas operates 7 CNG refueling stations in Iowa that are available to the public by arrangement. For additional information, contact Terry Slaughter at (712) 277-7603.

**The National Ethanol Vehicle Coalition (NEVC)** is part of a joint public/private partnership to promote E85 as an alternative transportation fuel. Through grants from the U.S. Department of Energy, NEVC provides forgivable loans for the installation of public E85 refueling facilities. For additional information, contact Phil Lambert at (314) 635-8445.

## *Laws & Regulations*

At least 10% of state vehicles must be powered by alternative fuels. All state fleet vehicles must be equipped with an alternative fuel capability.

Iowa code section 507 specifies that owners of alternative fueled passenger vehicles, trucks, buses, and recreational vehicles must obtain alternative fuel decals for the vehicles for \$100 per vehicle.

House Bill 1214 (1994) creates the Renewable Transportation Fuels Task Force to study and report on the renewable transportation fuels industry.

In 1988, the Governor proclaimed that all state vehicles must be fueled with 10% ethanol blends (E10) whenever practicable.

All vehicles owned or leased by city and county school districts and vehicles used by members of the Board of Directors of area community colleges must use ethanol-blended fuels.

Legislation enacted in 1993 requires the use of stickers on government vehicles that are being operated on gasoline blended with ethanol.

As of 1995, all fuel pumps dispensing ethanol blends must have a sticker to indicate that the fuel is an ethanol blend.

The state provides a 1¢/gallon motor fuel excise tax exemption for ethanol blends of 10% or more by volume.

The road tax for natural gas is 16¢/gallon compared to 20¢/gallon for gasoline.

The state has established a Renewable Fuels Fund to provide for the advancement of renewable fuels. The Renewable Fuels Fund concentrates on ethanol and biodiesel, and provides an ethanol incentive production account.

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### *Points of Contact*

#### **Iowa State Energy Office**

Iowa Department of Natural Resources  
Ward Lenz (515) 281-7018

#### **Midwest Gas**

Terry Slaughter (712) 277-7603

#### **National Ethanol Vehicle Coalition**

Phil Lambert (314) 635-8445

#### **Iowa State Transportation Contact**

Department of Transportation  
Dennis Tice (515) 239-1661

#### **U.S. Department of Energy**

##### **Regional Support Office**

Chicago Regional Support Office  
Melinda Latimer (312) 886-8582

#### **U.S. Department of Transportation Contacts**

##### **Federal Highway Administration**

Region 7  
Dan Wheeler (816) 276-2750

##### **Federal Transit Administration**

Region 7  
Joan Roeseler (816) 523-0204

##### **General Services Administration**

##### **Regional Fleet Manager**

Region 6  
Ed Hodges (816) 823-3620

##### **U.S. Environmental Protection Agency**

##### **Regional Pollution Prevention Coordinator**

Region 7  
Steve Wurtz (913) 551-7315  
Sara Jones (913) 551-7186